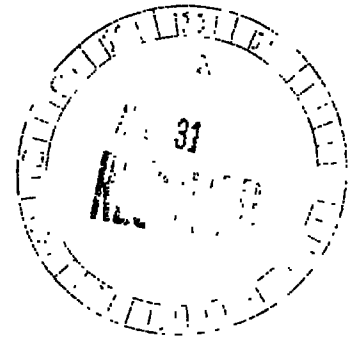


LAW OFFICE  
**THOMAS F. MCFARLAND, P.C.**  
208 SOUTH LA SALLE STREET - SUITE 1890  
CHICAGO, ILLINOIS 60604-1112  
TELEPHONE (312) 236-0204  
FAX (312) 201-9695  
*mcfarland@aol.com*



THOMAS F. MCFARLAND

August 30, 2012

By UPS overnight mail

Ms. Cynthia F. Brown, Chief  
Section of Administration  
Office of Proceedings  
Surface Transportation Board  
395 E Street, S.W.  
Washington, DC 20024

**FILED**

AUG 31 2012

**SURFACE  
TRANSPORTATION BOARD**

232899

Re: Finance Docket No. 35671, *Progressive Rail Incorporated -- Continuance in  
Control Exemption -- Iowa Traction Railway Company*

Dear Ms. Brown:

Hereby transmitted is the original and 10 copies of a Verified Notice Of Exemption  
Under 49 C.F.R. § 1180.2(d)(2) for filing with the Board in the above referenced matter.

Also enclosed is a check in the amount of \$1,700 for the filing fee.

Very truly yours,

*Tom McFarland*

Thomas F. McFarland  
*Attorney for Applicant*

FILED Chicago upV51567 for STB2

**RECEIVED**

AUG 31 2012

**TRANSPORTATION BOARD**

**ENTERED  
Office of Proceedings**

AUG 31 2012

**Part of  
Public Record**

BEFORE THE  
SURFACE TRANSPORTATION BOARD

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PROGRESSIVE RAIL INCORPORATED     )  
-- CONTINUANCE IN CONTROL         )   FINANCE DOCKET  
EXEMPTION -- IOWA TRACTION        )   NO. 35671  
RAILWAY COMPANY                     )

---

**VERIFIED NOTICE OF EXEMPTION  
UNDER 49 C.F.R. § 1180.2(d)(2)**

---

PROGRESSIVE RAIL INCORPORATED  
21778 Highview Avenue  
Lakeville, MN 55044

*Applicant*

THOMAS F. McFARLAND  
THOMAS F. McFARLAND, P.C.  
208 South LaSalle Street, Suite 1890  
Chicago, IL 60604-1194  
(312) 236-0204 (ph)  
(312) 201-9695 (fax)  
mcfarland@aol.com

*Attorney for Applicant*

Date Filed: August 31, 2012

BEFORE THE  
SURFACE TRANSPORTATION BOARD

---

PROGRESSIVE RAIL INCORPORATED	)	
-- CONTINUANCE IN CONTROL	)	FINANCE DOCKET
EXEMPTION -- IOWA TRACTION	)	NO. 35671
RAILWAY COMPANY	)	

---

**VERIFIED NOTICE OF EXEMPTION  
UNDER 49 C.F.R. § 1180.2(d)(2)**

---

Pursuant to the class exemption at 49 C.F.R. § 1180.2(d)(2), PROGRESSIVE RAIL INCORPORATED (PGR) hereby provides this verified notice of exemption from 49 U.S.C. § 11323 for its continuance in control of IOWA TRACTION RAILWAY COMPANY (Railway) upon Railway becoming a rail carrier.

This proceeding is related to Finance Docket No. 35670, *Iowa Traction Railway Company -- Acquisition and Operation Exemption -- Rail Line of Iowa Traction Railroad Company in Cerro Gordo County, IA*, in which Railway is filing a Notice of Exemption under 49 C.F.R. § 1150.31 for its acquisition from Iowa Traction Railroad Company (Railroad) and operation of a rail line between Milepost No. 0.0 at Mason City and Milepost 10.4 at Clear Lake, a distance of 10.4 miles in Cerro Gordo County, IA.

**INFORMATION REQUIRED BY 49 C.F.R. § 1180.6(a)(1)**

*(1) A description of the proposed transaction, including appropriate references to any supporting exhibits and statements contained in the application and discussing the following:*

*(i) A brief summary of the proposed transaction, the name of applicants, their business address, telephone number, and the name of the counsel to whom questions regarding the transaction can be addressed.*

The proposed transaction is continuance in control of Railway by PGR upon Railway becoming a rail carrier. Railway has concurrently filed a notice of exemption under 49 C.F.R. § 1150.31 for Railway to acquire and operate 10.4 miles of rail line between Milepost No. 0.0 at Mason City and Milepost 10.4 at Clear Lake, IA in the Finance Docket identified above. The parties intend to consummate that transaction no sooner than 30 days after filing that notice of exemption.

PGR is a Class III rail carrier currently operating rail lines in Minnesota and Wisconsin. PGR controls the following rail carriers who operate in the States shown:

<u>Carrier</u>	<u>State</u>
Central Midland Railway Company	Missouri
Montgomery Short Line, LLC	Minnesota

PGR hereby certifies that (1) the properties to be operated by Railway and the properties operated by the rail carriers listed above do not connect with each other; (2) the proposed continuance in control is not part of a series of anticipated transactions that would connect the carriers with each other or any railroad in their corporate family; and (3) the transaction does not involve a Class I carrier. Therefore, pursuant to 49 C.F.R. § 1180.2(d)(2), the proposed transaction is exempt from the prior approval requirements of 49 U.S.C. § 11323.

Applicant is Progressive Rail Incorporated, 21778 Highview Avenue, Lakeville, MN 55044

PGR's counsel to whom questions may be addressed regarding the proposed transaction is Thomas F. McFarland, Thomas F. McFarland, P.C. 208 South LaSalle Street, Suite 1890, Chicago, IL 60604-1112, ph (312) 236-0204, fax (312) 201-9695, mcfarland@aol.com.

*(ii) The proposed time schedule for consummation of the proposed transaction.*

The proposed transaction is scheduled to be consummated no sooner than 30 days after the filing of this notice of exemption.

*(iii) The purpose sought to be accomplished by the proposed transaction, e.g., operating economies, eliminating excess facilities, improving service, or improving the financial viability of the applicants.*

The purpose sought to be accomplished by the proposed transaction is achievement of operating efficiency and economy.

*(5) A list of the State(s) in which any part of the property of each applicant carrier is situated.*

Applicant PGR operates in Minnesota and Wisconsin.

*(6) Map (exhibit 1). Submit a general or key map indicating clearly, in separate colors or otherwise, the line(s) of applicant carriers in their true relations to each other, short line connections, other rail lines in the territory, and the principal geographic points in the region traversed. If a geographically limited transaction is proposed, a map detailing the transaction should also be included. In addition to the map accompanying each application, 20 unbound copies of the map shall be filed with the Board.*

Attached to this notice as Appendix 1 are maps showing:

- (1) the rail lines operated by PGR
- (2) the rail line to be acquired by Railway from Railroad
- (3) the rail line operated by Central Midland Railway Company
- (4) the rail line operated by Montgomery Short Line, LLC

*(7)(ii) Agreement (exhibit 2). Submit a copy of any contract or other written instrument entered into, or proposed to be entered into, pertaining to the proposed transaction. In addition, parties to exempt trackage rights agreements and renewal of agreements described at Sec. 1180.2(d)(7) must submit one copy of the executed agreement or renewal agreement with the*

*notice of exemption, or within 10 days of the date that the agreement is executed, whichever is later.*

No written contract bears on the proposed transaction.

*(g)(1)(i) Indicate the level of labor protection to be imposed.*

The level of labor protection to be imposed is that set forth in *New York Dock Ry. -- Control -- Brooklyn Eastern District*, 360 ICC 60 (1979).

### **VERIFICATION**

Attached to this notice as Appendix 2 is a verification of the statements made in this notice.

### **ENVIRONMENTAL AND HISTORIC CONSIDERATIONS**

Pursuant to 49 C.F.R. § 1105.6(c)(2), no environmental documentation or report is required for the proposed transactions. Pursuant to 49 C.F.R. § 1105.8(b)(2), no historic documentation or report is required for the proposed transaction.

### **CAPTION SUMMARY**

Attached to this notice as Appendix 3 is the required caption summary.

### **CONCLUSION**

WHEREFORE, the Board should publish this notice of exemption in the *Federal Register* within 16 days of its filing.

Respectfully submitted,

PROGRESSIVE RAIL INCORPORATED  
21778 Highview Avenue  
Lakeville, MN 55044

*Applicant*

*Thomas F McFarland*

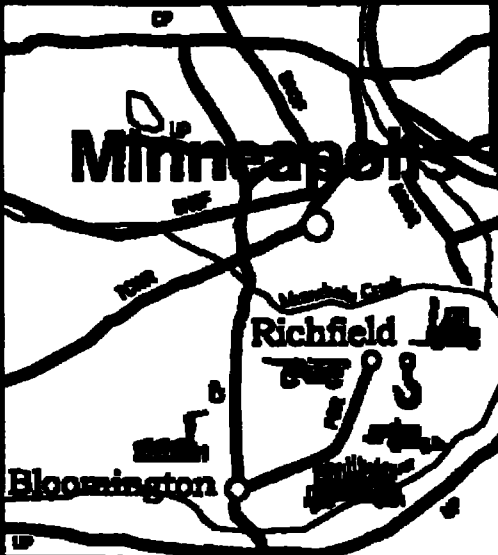
THOMAS F. McFARLAND  
THOMAS F. McFARLAND, P.C.  
208 South LaSalle Street, Suite 1890  
Chicago, IL 60604-1194  
(312) 236-0204

*Attorney for Applicant*

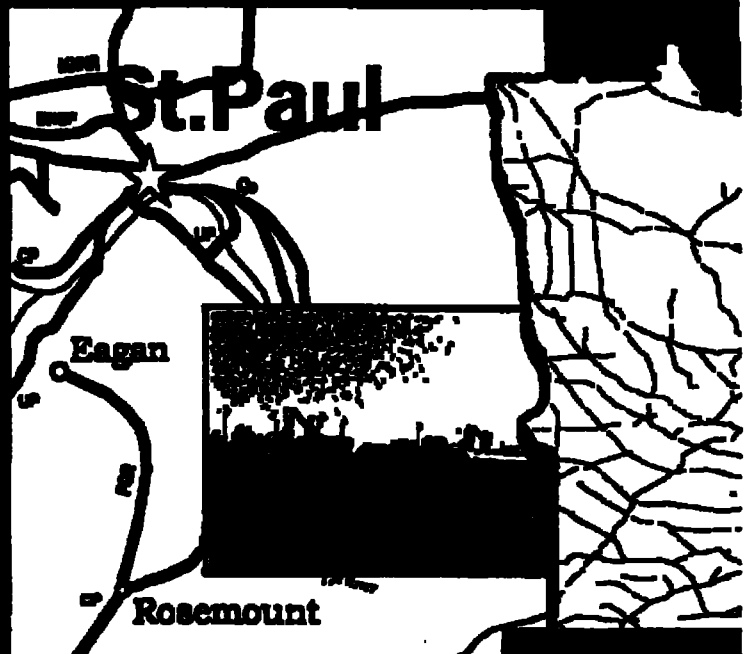
Date Filed: August 31, 2012

Rail Lines operated by PGR in Minnesota

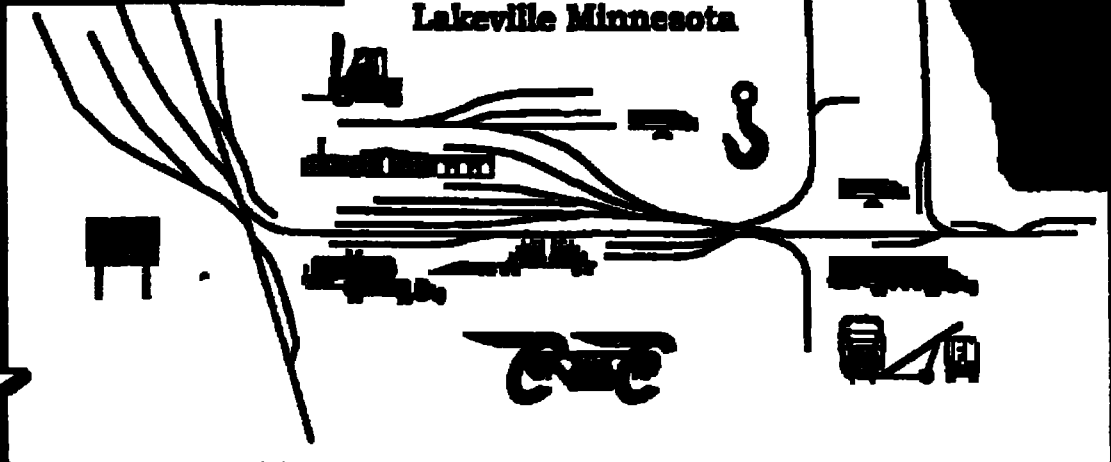
## Dan Patch Line



## Eagandale Line



## Airake Industrial Park Lakeville Minnesota



Lakeville

Northfield

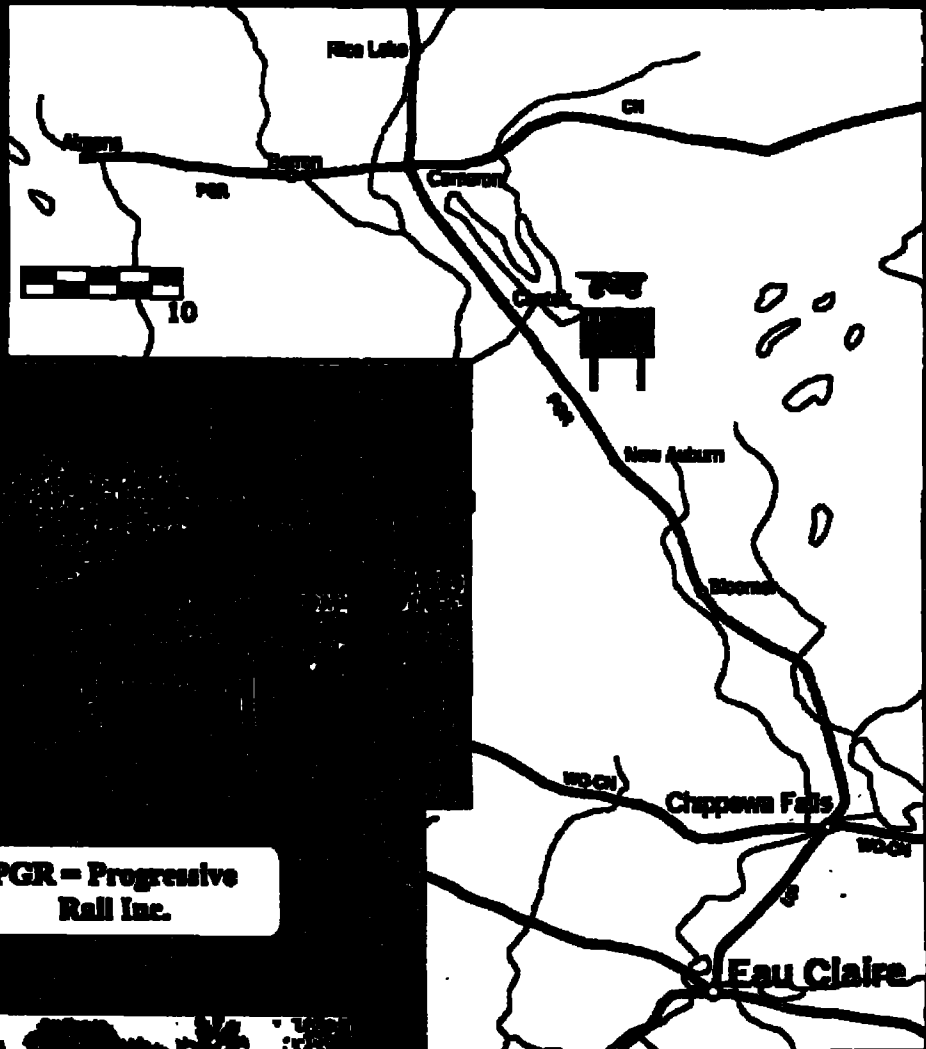
To Minneapolis-  
St. Paul



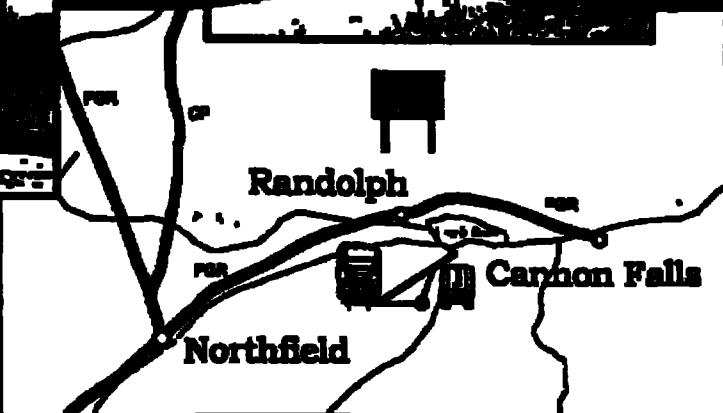
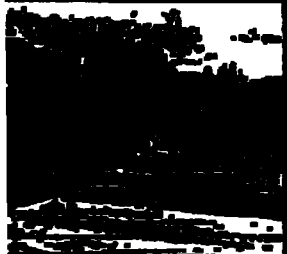
Rail Lines operated by PGR in Minnesota and Wisconsin

PROGRESSIVE RAIL

# Wisconsin Northern Line



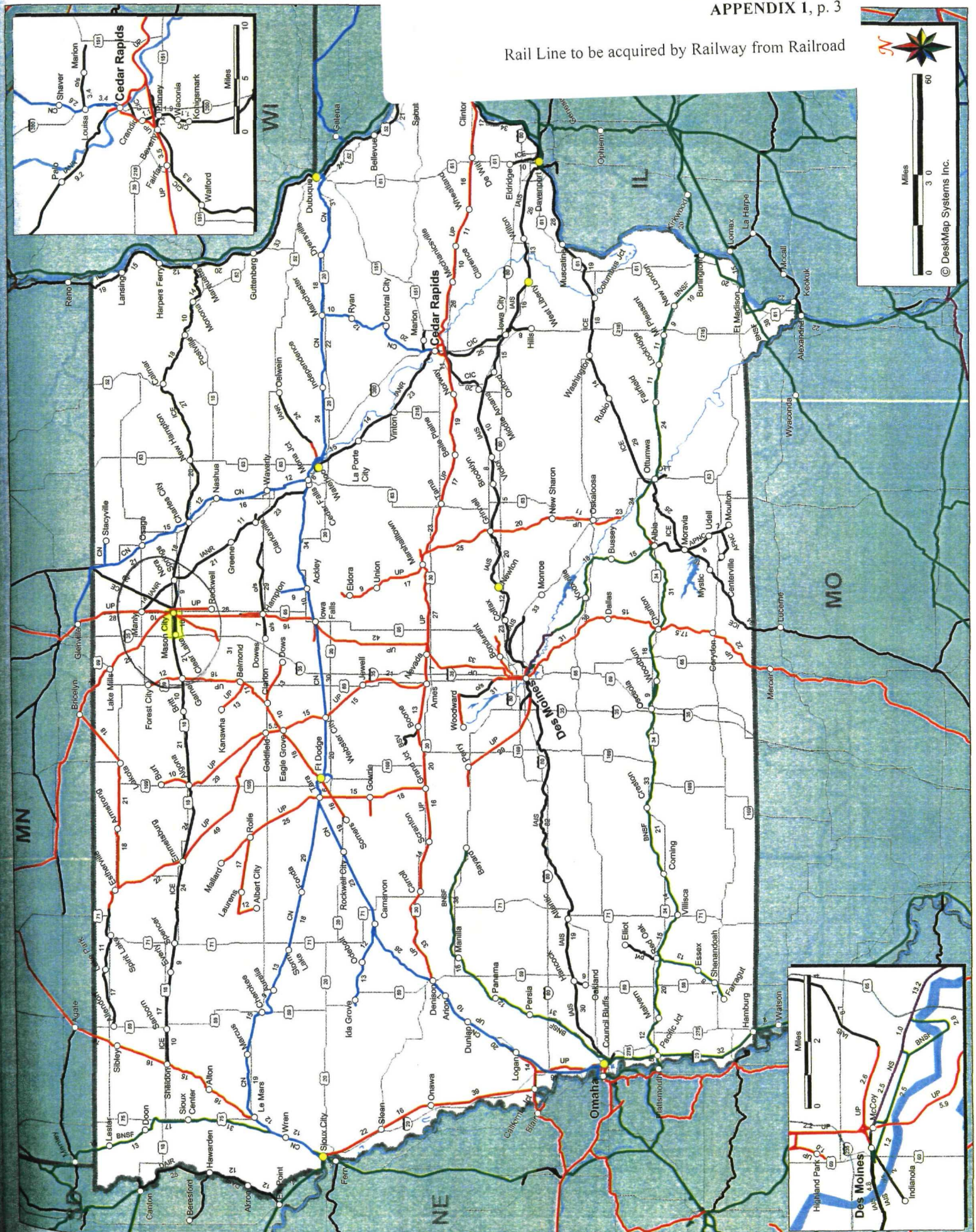
PGR - Progressive Rail Inc.



Custom Connection Transportation Services	
Industrial Park.....	
Progressive Rail ...	
Warehouse Service. ....	
Liquid Transfer ... ..	
Dry Bulk Transfer.....	
Certified Scale.....	
Bulk Conveyor .....	
Machinery Ramp.....	
Rail Served Land Avail....	
Heavy Lift .....	
Railcar Heating....	

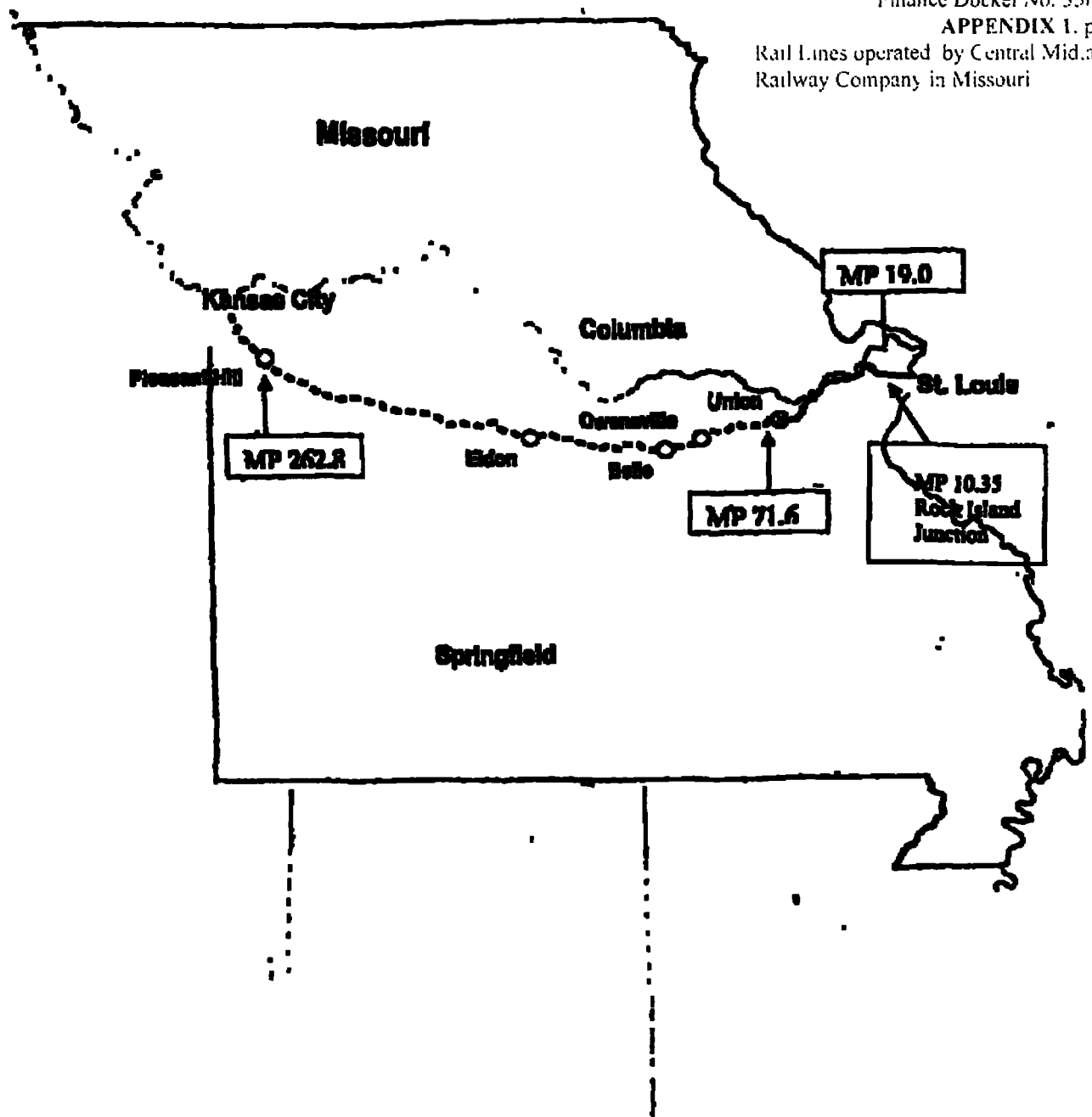


Rail Line to be acquired by Railway from Railroad



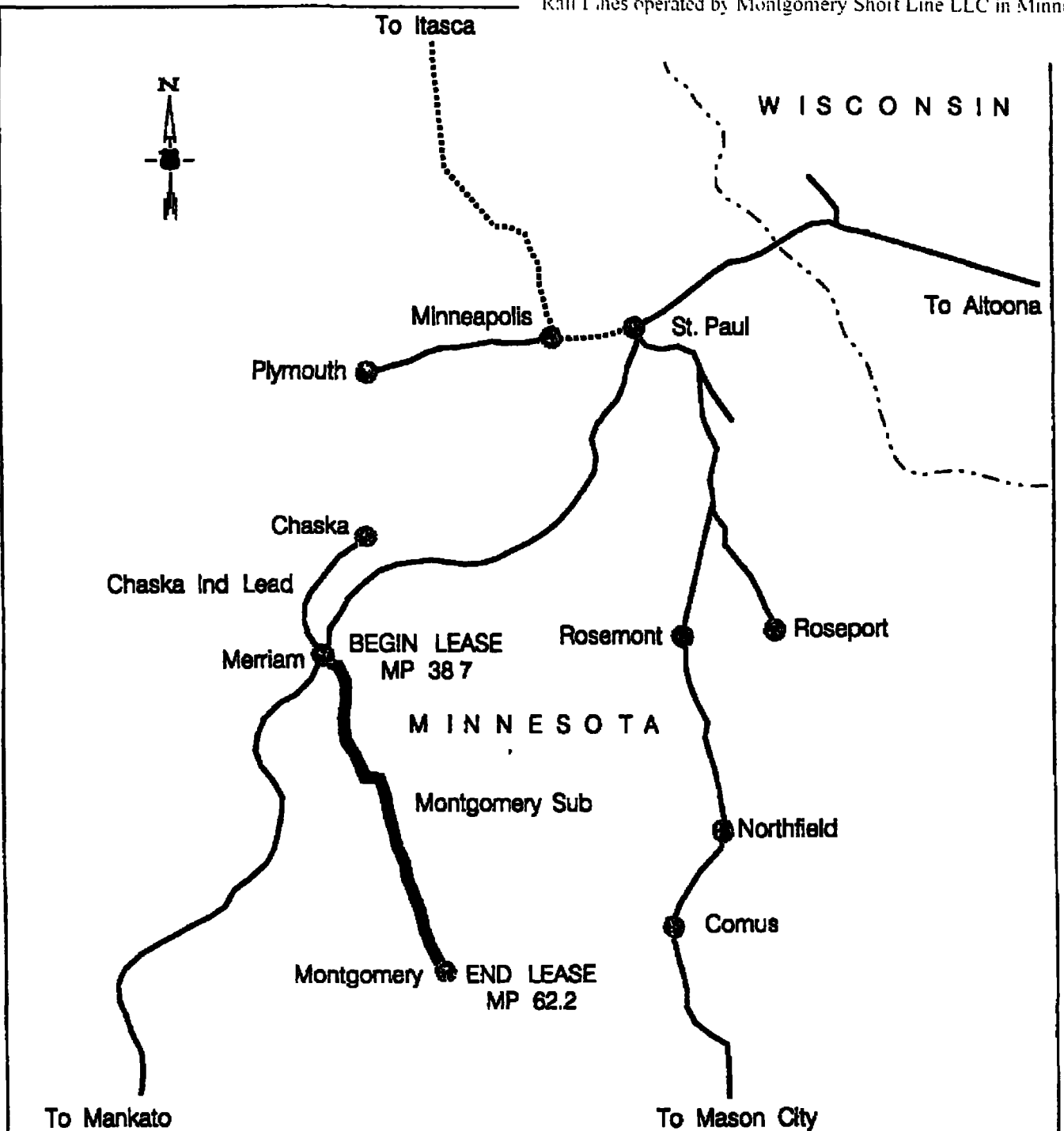


Rail Lines operated by Central Midland  
Railway Company in Missouri





**LINE OPERATED BY  
CENTRAL MIDLAND RAILWAY COMPANY**

Rail Lines operated by Montgomery Short Line LLC in Minnesota



## LEGEND

 UPRR LINES TO BE LEASED  
 OTHER UPRR LINES

UNION PACIFIC RAILROAD CO.

MONTGOMERY SHORT LINE LLC

LEASED LINE

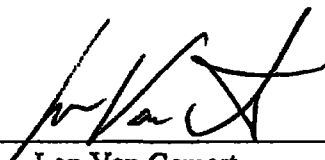
APRIL 16, 2007

FILE q \Exhibit\_A\progress\_rail\_montgomery\_lease.dgn PEN TABLE DR0716 PEN

**VERIFICATION**

STATE OF MINNESOTA    )  
                                  ) SS:  
COUNTY OF DAKOTA    )

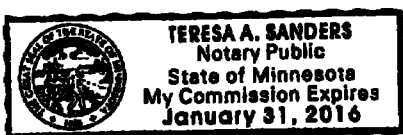
LON VAN GEMERT, being duly sworn on oath, deposes and states that he has read the foregoing notice, that he knows the contents thereof, and that the facts therein stated are true and correct.

  
\_\_\_\_\_  
Lon Van Gemert

SUBSCRIBED and SWORN  
to before me this 29<sup>TH</sup>  
day of August, 2012.

  
Notary Public

My commission expires: 1/31/2016



**CAPTION SUMMARY**

**SURFACE TRANSPORTATION BOARD  
NOTICE OF EXEMPTION**

(Finance Docket No. 35671)

**PROGRESSIVE RAIL INCORPORATED  
-- CONTINUANCE IN CONTROL EXEMPTION --  
IOWA TRACTION RAILWAY COMPANY**

Progressive Rail Incorporated (PGR) has filed a verified notice of exemption from 49 U.S.C. § 11323 for its continuance in control of Iowa Traction Railway Company (Railway) upon Railway becoming a rail carrier. Railway has concurrently filed a notice of exemption under 49 C.F.R. § 1150.31 for Railway's acquisition and operation of 10.4 miles of rail line between Milepost No. 0.0 at Mason City and Milepost 10.4 at Clear Lake, in Cerro Gordo County, IA. Finance Docket No. 35670. The parties intend to consummate that transaction no sooner than 30 days after filing of that notice of exemption.

Railway is owned by PGR. PGR owns the following rail carriers: Central Midland Railway Company and Montgomery Short Line, LLC.

The proposed continuance in control is exempt from the prior approval requirements of 49 U.S.C. § 11323 by virtue of 49 C.F.R. § 1180.2(d)(2) because PGR has certified that (1) the properties operated by Railway and the rail carriers identified above do not connect with each other; (2) the continuance in control is not part of a series of anticipated transactions that would connect those carriers with each other or any railroad in their corporate family; and (3) the transaction does not involve a Class I carrier.

As a condition to use of the exemption, any employees affected by the transaction will be protected by the conditions set forth in *New York Dock Ry. -- Control -- Brooklyn Eastern Dist.*, 360 ICC 60 (1979).

Petitions to revoke the exemption under 49 U.S.C. § 10502(d) can be filed at any time. The filing of a petition to revoke will not automatically stay the proposed transaction. If the notice of exemption contains false or misleading information the exemption is void *ab initio*. Any petitions to revoke filed with the Board must be served on PGR's representative, Thomas F. McFarland, Thomas F. McFarland, P.C., 208 South LaSalle Street, Suite 1890, Chicago, IL 60604-1112, ph (312) 236-0204, fax (312) 201-9695, mcfarland@aol.com.

(SEAL )

By the Board